

May 11, 1987

LB 270

Department of Revenue would know, you would have qualified for the tax credit in LB 270 by hiring these new employees. This amendment merely states that members of the immediate family of the taxpayer employ would not be considered new employees for purposes of gaining a tax credit. And the definition for the relatives is taken from the personnel policies for legislative employees, page 36, as adopted by our Executive Board on October 13, 1987. So all I'm really trying to do here is to spell it out that if you've been getting along all this time in business and suddenly you have a relative who's already even maybe retired, you can put them down as a new employee, you can even pay them the minimum wage, and you can even have them turn around and give you a nice gift with the money you've paid them, or give you the money back, and they will qualify for the tax credit. So it is just kind of to do away with any chance of nepotism. So I would urge the adoption of the amendment. Thank you, Madam President.

SENATOR LABEDZ: Senator Chizek on the Higgins amendment.

SENATOR CHIZEK: Madam Chairman, members, I rise to oppose this amendment to 270 prohibiting the hiring of relatives of employees from counting as new employees when that employee figures whether the business is eligible for the credit. Off hand I see no reason for excluding a spouse or sister or brother from counting as an employee in the family business. Most of the businesses we have in Nebraska in the area that we've been under discussion this morning are family owned businesses, corporations. I further see an auditing nightmare for the Department of Revenue. I would think the ultimate result would be to disqualify many of those family businesses that exist in the State of Nebraska from consideration under LB 270 the incentives and reward. Perhaps Senator Higgins has a clearer rationale in her closing that I've overlooked. I would urge that you defeat this amendment.

SENATOR LABEDZ: Senator Nelson, on the Higgins amendment.

SENATOR NELSON: Madam Speaker, I don't intend to keep digging away at this, but these are potential questions that I have on this. I don't know whether you know, but by the Internal Revenue Code, and I don't know if this would start going into it in that area, in other words if this would supersede Internal Revenue Code, but the Internal Revenue Code, it is possible, and I'll have to say I spend many, many, many hours doing bookwork in business, but that wife is on the payroll the same as anyone